QUARTERLY REPORT SECOND QUARTER – 2006

April 1, 2006 through June 30, 2006

VALLEY BROADCASTING COMPANY, LICENSEE OF KVBC-TV, CHANNEL 3, SERVING, LAS VEGAS, NEVADA, HAS DETERMINED THAT THE ISSUES OF CONCERN TO THE COMMUNITY SERVED BY IT ARE AS FOLLOWS:

1. Growth

Growth is a continuing issue that affects our community on a daily basis. Traffic construction which is never ending and creates heavy traffic back ups is always a community concern. Building construction due to growth is also causing concern because of the soaring costs of utilities. Lack of water in the valley is also a problem. The growth of this community depends on its recourses and if lack of water is an issue, so will the growth of the community.

2. EDUCATION

Education ranks as one of the top concerns for people in our community. With the arrival of a new superintendent and the hiring of new teachers, administrative issues will be an important factor in the coming months. School activities will take on an increased presence as the school year comes to an end. The end of the school year also means school testing time especially for seniors struggling to pass the state proficiency exam. Many of those seniors will be preparing for higher education as the State deals with changes to the millennium scholarship. The area's growth contributes to continuing concerns of students and teachers' safety in our schools.

3. CRIME

Crime is always the number one concern of our residents as people focus on family safety and protecting those they love. Gangs and graffiti are everyday concerns for people in Southern Nevada and a focus of the police departments. Alcohol/DUI related crimes and drug use are a daily concern with the lure of a twenty-four hour party atmosphere. More violent crimes such as those involving sex crimes are also concerns of local residents trying to protect themselves and their families.

4. LIFESTYLES

In the Las Vegas community health and medical issues are important to our residents. Protecting children with pool safety, especially in the summer months, continues to be a concern for parents. Since Las Vegas is such a tourist destination residents and visitors alike continue to enjoy gaming and other activities offered by casinos. Family issues are also important in our community. From family activities to outdoor activities in our warm climate there are many ways our residents keep busy.

5. Economy

The **economy** is always a concern nationally and in turn is of importance locally as well. **Tourism** remains strong which does help reduce stress among the many local business owners.

Growth in the community causes utility prices to rise and with the cost of vehicle gas continuing to rise, cost of living increases as well.

6. Politics

Politics take on an increased presence in the Southern Nevada community as former prominent political figures defend themselves against criminal and ethical violations. Those **political crimes** will play a key role for **candidates** trying to win the support of local residents in the upcoming fall elections.

THE PROGRAMMING AND PUBLIC SERVICE ANNOUNCEMENTS PRODUCED AND AIRED BY VALLEY BROADCASTING COMPANY RESPOND TO THESE LOCAL ISSUES OF CONCERN. ILLUSTRATIVE IS THE FOLLOWING LIST OF PROGRAMMING AIRED DURING THE REPRESENTATIVE WEEKS OF: *April* 10-16, 2006, May 15-21, 2006 and June 5-11, 2006.

STORIES APPEARING ON NEWS 3 SUNRISE, NEWS 3 AT SUNRISE, NEWS 3 TODAY, NEWS 3 AT NOON, FIRST NEWS 3 AT FOUR, NEWS 3 AT FIVE, NEWS 3 AT SIX, NEWS 3 NIGHTSIDE, NEWS 3 SUNRISE, THE WEEKEND REPORT, NEWS 3 TODAY, THE WEEKEND REPORT, NEWS 3 AT FIVE, THE WEEKEND REPORT, NEWS 3 AT SIX, THE WEEKEND REPORT, AND NEWS 3 NIGHTSIDE, THE WEEKEND REPORT ARE OF A 1 MINUTE 15 SECOND/1 MINUTE 45 SECOND DURATION.

INSTRUCTIONAL PROGRAMS APPEARING ON NEWS 3 INCLUDE: (1) HEALTHLINE 3, WHICH FEATURES MEDICAL BREAKTHROUGHS, HEALTH WARNINGS, MEDICAL STUDIES, AND PREVENTATIVE CLINICS; (2) "BABY YOUR BABY" OFFERING INFORMATION ENCOURAGING WOMEN TO SEEK EARLY AND CONTINUOUS PRENATAL CARE; (3) CRIMETRACKER, WHICH FOCUSES ON THE LATEST CRIME FIGHTING TECHNIQUES AND SPECIAL PROGRAMS PROVIDED BY LOCAL POLICE FOR THE COMMUNITY AND ANY HONORS OR AWARDS GIVEN TO POLICE; (4) MAKE A WISH, A PROGRAM THAT HELPS GRANT THE WISHES OF A CHILD WITH A TERMINAL OR LIFE-THREATENING ILLNESS; (5) SAVING YOU MONEY, WHICH FOCUSES ON TIPS TO MAKE YOUR DOLLAR GO A LILTTLE FURTHER AND STORIES ABOUT THE ECONOMY; (6) KIDS FIRST, WHICH PROFILES WHATS HAPPENING WITH OUR KIDS, BOTH POSITIVE AND NEGATIVE TRENDS, AND EDUCATION RELATED TOPICS; (7) WWW.KVBC.COM, OUR WEBSITE, WHICH FEATURES CRIMETRACKER, BABY YOUR BABY, MAKE-A-WISH, SAVING YOU MONEY, AND KIDS FIRST INFORMATION 24 HOURS A DAY.

ADDITIONALLY, KVBC IS A STATION AFFILIATED WITH THE NATIONAL BROADCASTING COMPANY, INC. TELEVISION NETWORK. THE STATION CARRIES REGULARLY SCHEDULED PROGRAMMING OF THAT NETWORK WHICH INCLUDES PROGRAMS WHICH RESPOND TO ISSUES OF IMPORTANCE TO THE COMMUNITY.

KVBC ALSO PERIODICALLY HOSTS A "CALL 3" PROGRAM. THIS IS A NEWS AND INFORMATIONAL-TYPE PROGRAM, WHICH IS BROADCAST ON AN AS-NEEDED BASIS, DICTATED BY EVENTS AFFECTING OUR COMMUNITY. EXPERTS, EXPERIENCED IN THE TOPIC KVBC COVERS, ANSWER ONE OF SEVEN TELEPHONES IN THE "CALL 3" ROOM AND RESPOND TO SPECIFIC AND DIRECT INQUIRIES FROM THE COMMUNITY AT LARGE. THE CALL-IN PROGRAM ITSELF IS CONDUCTED OVER A ONE TO THREE HOUR PERIOD AT THE TELEVISION STATION. KVBC DOES LIVE CUT-INS DURING "CALL 3" WHICH EITHER RUN DURING NEWSCASTS, NEWS SPECIALS AND/OR DOCUMENTARIES.

VALLEY BROADCASTING COMPANY QUARTERLY REPORT 2ND QUARTER, 2006

VALLEY BROADCASTING COMPANY ISSUES OF CONCERN RESPONSIVE TO THE PROBLEMS, NEEDS AND INTERESTS OF CHILDREN 16 YEARS OLD AND UNDER IN THE SOUTHERN NEVADA AREA FOR THE SECOND QUARTER 2006

April 1, 2006 through June 30, 2006

1. STRESS

Stress continues to be an issue for teens. Peer pressure to engage in sex, alcohol consumption, drug abuse and smoking are still of concern. Additionally, stress of unwanted pregnancy continues to be an issue. Home life also has an effect on teen's well being. Bullying at school is also a concern for teens in our area.

2. SCHOOL

For adults and children alike, school issues are a concern. School activities are an important part of children's lives as well as making friends. Grades are a concern for both parents and students as good grades and high marks on testing help them to achieve long term goals.

3. SAFETY

Safety of children is always a concern for people in our community. Gangs are continuously growing and no longer are there just the threats of children being bullied and fighting on the playground, but now there is the fear of kids having access to guns. With more and more kids being online another growing concern for children is internet safety and "stranger danger" awareness.

4. ACTIVITIES

Activities are a big part of the desert lifestyle. Many locals participate in **sports** and **community recreation** activities. **Safety** in these events is also a concern. **Summer camps** for children are also popular. Many people are concerned with **technology** associated with activities that allows them to learn the latest trends, or plan family **vacations**. **Swimming** is also a very popular summer activity.

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IN ITS CONTINUING EFFORT TO MEET THE COMMUNITY YOUTH'S NEEDS, KVBC, CHANNEL 3, BROADCASTS EDUCATIONAL AND INFORMATIVE PROGRAMMING PROVIDED FOR CHILDREN FROM NBC, THAT IS ATTACHED.